

February 8, 1951

My dear Senator:

In accordance with your request, I am sending you a memorandum which will give you some information on the relations between Frank Costello and Charles "Lucky" Luciano. For convenience, I have underlined Costello's name wherever it appears.

Sincerely yours,

H. J. Anslinger
Commissioner of Narcotics

Honorable Estes Kefauver
Chairman, Special Committee to
Investigate Organized Crime
in Interstate Commerce
United States Senate
Washington, D. C.

February 5, 1951

In re: CHARLES LUCIANO @ "LUCKY"

CONFIDENTIAL

MEMORANDUM FOR MR. H. J. ANSLINGER,
COMMISSIONER OF NARCOTICS:

Charles Luciano was born in the town of Larcara, Freddi, Sicily on November 11, 1897 and was brought to the United States while still a child.

On April 24, 1936 he received a sentence of thirty to fifty years in New York County for violation of Sec. 2460 of the New York Penal Code ("compulsory prostitution".) On February 10, 1946 he was paroled by Gov. Thomas E. Dewey, after having served ten years of his fifty-year sentence, one condition of parole being immediate deportation to Italy.

Luciano's record as reflected by the files of the F. B. I. under #62920 is attached hereto as Exhibit #1.

In May of 1943 while on active duty with the U. S. Army, attached to the O. S. S. I was approached by August Del Grazio, International List 067, with a proposition wherein Luciano, then in Dannamora Prison would be willing to provide assistance to the Government, in connection with the contemplated invasion of Italy, through his Mafia connections. Del Grazio, whom I had known as a result of arresting him on one occasion and questioning him on numerous other occasions in connection with narcotic law violations,

said it would be necessary for Luciano to be paroled from prison in order to render this assistance.

Del Grazio informed me at this meeting he was acting on behalf of Frank Costello who was leading the movement to obtain Luciano's release, and that New York Attorneys George Wolfe and Moses Polskoff were representing Costello and Luciano in this regard. Del Grazio did not explain why he had come to me, or if he had been directed to interview me. He had known, however, that I was in the Army attached to the C. S. S. He had visited me almost one year prior at my home in New York, shortly after I entered the Army, protesting his arrest on a charge of sending opium from New York to Florida. He claimed that he was being "framed" by the narcotic agents or that he was the victim of mistaken identity. His reason for coming to me, he said, was that when I had arrested him some years before on a charge of possession of opium the case was dismissed because I had not stretched or distorted the evidence as he feared might occur and he felt I had been fair and objective in handling his current case.

I informed Del Grazio I did not believe Luciano could be of any particular value, and, in any event, I was certain he could not be released from prison for such a purpose. I suggested that if Luciano cared to provide such information as he might have, it would be received for whatever it was worth and transmitted to the proper military authorities. Del Grazio said he would communicate this to Costello and the attorneys, and I had no further communication with him in this regard. Del Grazio died of a cancer in New York City in 1949.

I heard, unofficially, about a year later that Commander Charles R. Haffenden, U. S. N. R., on active duty with the Office of Naval Intelligence in New York had interested himself in Luciano's case, and was attempting to secure his parole along the lines suggested to me by Del Grazio. Commander Haffenden left the O. N. I. about 1944 and was then assigned to the O. S. S. At that period he was in some way associated with the then Lt. Col. Murray I. Gurfein, former Assistant District Attorney, who was also attached to the O. S. S.

Shortly before leaving the O. N. I. Commander Haffenden was in some way associated with the notorious New York waterfront racketeer "Socks" Lanza. I am confidentially informed that New York detectives had tapped Lanza's telephone and happened to intercept a conversation between Lanza and Haffenden. Lanza requested Haffenden to intercede for him, as he was about to be sentenced in New York General Sessions by Judge McCook. Haffenden assured Lanza he would represent to McCook that Lanza had provided information of great value to the Naval Intelligence, and that McCook would, thereupon, extend leniency. The detectives allegedly reported this circumstance to McCook who, in turn, reported it to the Navy and Haffenden was relieved of his assignment and transferred to the O. S. S. although he retained his Navy rank. In 1942 Haffenden was known to confer frequently with Joe Adonis.

Information was also available that Haffenden, who at one time was in the trucking business, was attempting to use his position with the O. N. I. in New York to further his private interests amongst truckmen and longshoremen. One of his associates in this regard was

believed to be Thomas Luchese alias Nine-Fingered Tommy Brown (frequently erroneously referred to as Three-Fingered Tommy Brown).

Maj. Gen. William J. Donovan has, on several occasions, emphatically stated Luciano did not provide information of any kind whatsoever to the O. S. S., or to any of the Armed Services. Competent Army and Naval spokesmen had made the same statement.

For several days prior to his actual deportation Luciano was held at Ellis Island. While there awaiting deportation he received the following visitors:

10-10-970

Moses Polakoff, Attorney	Frank Costello
Meyer Lansky	Michael Lascari
Bert Luciano (brother)	Joseph Luciano (brother)
**"Judge" Francis X. Mancuso	

**(Permission for this visit was requested by former Congressman Dickstein.)

Luciano received great consideration at Ellis Island and newspaper reporters and photographers were barred. However, on the day of deportation Luciano was taken to the vessel, the SS LAURA KRANE, and was accompanied aboard the ship by Frank Costello, Meyer Lansky and Al Anastasia. Newspaper reporters and photographers were barred from the dock by a guard of longshoremen who menaced the reporters with their cargo hooks. -

(It is interesting to note that both Luciano and Costello are close friends and associates of Vincent Mangano, a notorious Mafia leader and waterfront racketeer. Mangano likely arranged this "protection").

A merry bon voyage party was then held aboard ship to the tune of popping champagne corks. Present, in addition to Lansky, Costello and

Anastasia was said to be Suarez-Rivas, Cuban Senator, and it is alleged plans were then formulated for Luciano's early return to Cuba. -

I have recently received additional information from a very reliable source that additional assistance was rendered Luciano and Costello in connection with this parole by Mr. James Bruno, a former leader of the Uptown Republican Club. Bruno was recently questioned about this and denied talking to Gov. Dewey. He was very evasive concerning his relationship with Costello.

Luciano arrived at Naples, Italy on February 27, 1946 and was sent by Police to Palermo, Sicily. (See Exhibit #2).

Gov. Dewey has stated that although some consideration was given to affidavits submitted by Gurfein and Haffenden, alleging Luciano had provided information and services of great value to the Armed Forces, the parole actually was routine, in line with a long established practice of paroling aliens for deportation to save the State money.

District Attorney Frank S. Hogan has stated that during the summer of 1945, when Gov. Dewey had the commutation under consideration, he received an affidavit concerning Luciano from the then Lt. Col. Gurfein, stationed at Paris. According to Hogan, Col. Gurfein explained in a covering letter the affidavit had been requested by Moses Polakoff, and Col. Gurfein sent the affidavit to Mr. Hogan with the suggestion it be approved by Naval Intelligence at New York. Mr. Hogan referred the affidavit to Commander J. I. Coddington of Naval Intelligence and that officer directed that the affidavit not be shown to Polakoff. Mr. Hogan thereupon turned the affidavit to Mr. Gurfein.

However, Gov. Dewey's office later received this affidavit in some manner.

Gurfein's affidavit states in part:

"I wrote to Polakoff seeking his aid in attempting to find out who was sabotaging the life-line between the United States and England and if possible who were re-fueling German U-boats. I believe that was being done by fishing boats."

The affidavit went on to say that Gurfein had hoped, through Polakoff, to contact underworld friends of Luciano to aid him in this quest.

Haffenden's affidavit, contained in Gov. Dewey's files, was also executed during the summer of 1945 and was sent by Haffenden as a Naval Commander, although it has since been learned he was not authorized by his Naval superiors to make this affidavit.

Before 1933 Mr. Haffenden was Coordinator of the Executive Association of Greater New York. In 1933 he became State Chairman of the American Federation of Little Business.

He enlisted in the Naval Reserve in 1917 and came out as a Lieutenant (J. G.) in 1918. In 1924 he was a Lieutenant in the U. S. N. R. In 1933 he was attached to Naval Intelligence as a reserve officer, and in 1940 he became Lieut. Commander. In 1943 he developed the Foreign Intelligence Branch of the Third Naval District. He later transferred to the O. S. S. (Lanza episode) and then again transferred back to the Navy where he saw action in the Pacific. In December of 1945, while on terminal leave, Mayor William O'Dwyer appointed him Commissioner of Marine and Aviation. His political sponsor was understood to be James A. Roe, Democratic Leader of Queens. On May 25, 1946 Haffenden, under investigation by the City in connection with contracts at Idlewilde Airport, was discharged.

In addition to the persons mentioned above, the following are believed to have considerable knowledge of Haffenden's activities and his relationship to Luciano's friends during the War years:

Fred Moran, Chairman, State Division of Parole

Joseph Kaitz, former investigator for New York County District Attorney, and presently Deputy Commissioner of New York State Liquor Authority

John Murphy, ex-F. B. I. Agent, later a Lieut. Commander in O.N.I., Washington, now an assistant to Jerry O'Grady, Pinkerton Detective Agency, Anti-Racket Race Track Squad.

Murphy was assigned by O. N. I. Washington to make a complete investigation of Haffenden's activities in the Luciano affair.

Murray I. Gurfein, former Chief Assistant District Attorney, New York - later Lieut. Col. attached to the O. S. S.

Willis D. George - one-time Customs Agent, discharged during Prohibition time, later attached to O. S. S., and O. N. I. as a civilian agent. He is now probably acting as a private investigator in New York.

George was very close to Haffenden and could, if he desired, provide much information.

Maurice Kelly, New Rochelle Police Department - formerly Haffenden's assistant in O. N. I.

Joseph Hogan, brother of the District Attorney, former Naval Officer, attached to O. N. I., New York

William Mischa, former New York State Parole Officer

Haffenden wears a Purple Heart but it is rumored in Naval circles this decoration was obtained by fraud.

After Luciano's arrival in Italy in February of 1946 the Police seized from him and his mistress, Igea Lissoni, address books. The names and telephone numbers found therein are attached and identified as Exhibit

#3.

In October of 1946 Luciano obtained an Italian passport and proceeded first to Brazil and then to Cuba. Coincidentally, items obviously planted by a press agent began to appear in various gossip columns, including that of Walter Winchell. On February 10, 1947, the following appeared in Winchell's column:

"'Lucky' Luciano is now in Cuba under the name of ADANO (probably got the name from the War story) and, according to Washington insiders he will (after his death) be honored with a medal by the United States Luciano was deported following a long stretch at Sing Sing.

"They tell you that he was 'of great assistance' to the U. S. Military Intelligence Service in the invasion of Italy. His undercover work 'helped save thousands of American lives' The Government will award him the Medal of Honor posthumously."

In the same column on the same day it is interesting to note the following friendly reference to Frank Costello:

"Frank Costello will get back most of that 'lost' \$27,000.00 after all. Mr. Whiskers, it seems, learned he had more than paid up that old tax claim. Costello tells pals the fight over twenty-seven Grand has, to date, cost him over \$20,000.00. He says he would have spent one hundred Grand's 'just for the principle of the thing!'"

It was not until February 11, 1947, that the Treasury Representative in Cuba actually established Luciano's presence there. Since Winchell's tribute appeared on February 10th in Chicago, it was apparent he had better sources of information than the Government, and in view of the friendly Costello reference, there is little doubt his informant was Costello himself.

In Havana, Cuba, Luciano operated an elaborate gambling establishment on the sixth floor of the Hotel Presidente. This hotel is rumored to be owned by Frank Costello. A native Cuban is listed as the manager, but the financing of the hotel was handled by one Frederick Kessler, a Costello associate. Luciano also had an interest in the National Casino consisting of two roulette tables and a crap table. Jack Dempsey, ex-fighter, is also believed to be in some way interested in the National Casino. At this period Dempsey is alleged to have come to Havana and deposited with one ARIAS, alleged owner of the Casino \$50,000 on behalf of a "friend", believed to be Luciano. Luciano himself admitted in a conversation with American officials while being detained pending his deportation from Cuba that had he been permitted to return to Cuva, he had planned to buy an interest in the National Casino. While in Havana, Luciano lavishly entertained Frank Costello, Meyer Lansky, Ralph Capone, Rocco and Charlie Fischetti, as well as Frank Sinatra and Bruce Cabot, actors.

Using the aliases of Joseph Granda, Grandy, Grande and Branda, Luciano made many telephone calls to the United States, and a list of these calls is attached hereto as Exhibit #4.

The following Americans were brought to Cuba by Luciano and were employed by him in his gambling enterprises:

Charles Simms @ Chester
David Weiss
John Lowe

Charles Oldenburg
George Hoffman

Victor Vesta
John Demas
Conrad Immerman @
Connie
"Doc" Apple
Jack Hoag

As a result of official protests of the United States Government and an embargo placed by the U. S. Bureau of Narcotics on the export of medicinal narcotic drugs to Cuba, Luciano was deported from Cuba on March 20, 1947.

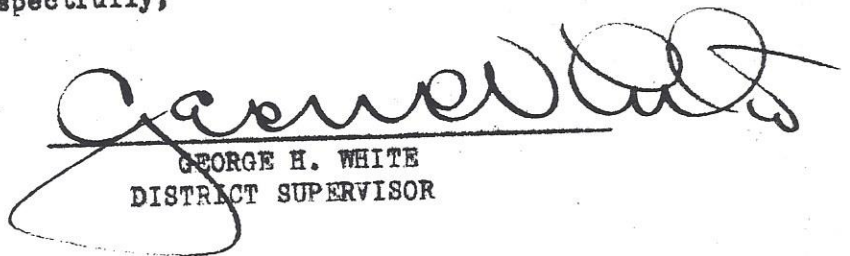
In Italy, Luciano lives in Lavish style, although he has no visible means of support. Reliable information from various sources indicate Luciano is being supported in Italy by receiving large sums of money which represent a percentage of profits from gambling concessions operated in the United States by the so-called "syndicate" headed by Costello. This would include the gambling places in Newark, New Jersey, Florida, New Orleans, Chicago, etc.

There is also tangible evidence that Joe Profaci, a suspected Mafia leader and owner of the Mama Mia Olive Oil Company of New York, has been remitting money to Luciano with the assistance of one JOHN BALSAMO, former employee of the American Embassy at Rome.

ATTACHMENTS

- EXHIBIT #1 - B. F. I. Record of Charles Luciano @ "Lucky".
- EXHIBIT #2 - Report of Henry L. Manfredi, Special Agent, C. I. D., dated January 12, 1947.
- EXHIBIT #3 - Names and Addresses taken from Luciano by Italian Police.
- EXHIBIT #4 - List of calls made by Luciano from Havana, Cuba to the United States.
- EXHIBIT #5 - Report of Customs Agent Hopkins dated April 22, 1947 relative to telephone calls made by Luciano at Havana.
- EXHIBIT #6 - Memorandum Report of Agent Olivera dated July 10, 1947, relative to Michael Lascari.
- EXHIBIT #7 - Recent photograph of CHARLES LUCIANO taken in Italy.

Respectfully,


GEORGE H. WHITE
DISTRICT SUPERVISOR